



Health Care Financing Trends

June 1982

Information through March 1982 on:

- National Health Expenditures
- Community Hospital Statistics
- Health Care Prices
- Employment, Hours, and Earnings of Health Workers
- National Economic Indicators

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Health Care Financing Trends

The Health Care Financing Administration (HCFA) was established to combine health financing and quality assurance programs into a single agency. HCFA is responsible for the Medicare program, Federal participation in the Medicaid program, and a variety of other health care quality assurance programs. The mission of the Health Care Financing Administration is to administer the Medicare and Medicaid programs and related provisions of the Social Security Act in a manner which promotes the timely and economic delivery of appropriate quality health care to eligible beneficiaries.

The Bureau of Data Management and Strategy (BDMS) operates HCFA's statistical data systems containing the Medicare and Medicaid program information necessary to manage the agency. BDMS develops and coordinates statistical and information policy; directs the actuarial program for HCFA; develops methods for economic analysis of health care financing issues; and coordinates the development of HCFA's information policy as it relates to long-range information plans with nonfederal segments of the health care industry.

Trends is a quarterly publication containing tables and analyses highlighting economic developments in the health care sector. Recent data are presented on:

- national health expenditures, by type of service and source of funds;
- community hospital statistics;
- health-related prices indexes and price inflation;
- employment, hours, and earnings of health workers;
- a variety of national economic indicators;
and
- summaries of Medicare and Medicaid program trends.

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Compiled by

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Section A. National Health Expenditures and Related Measures¹

Growth of health expenditures leveled off through the twelve-month period ending September 1981. Health expenditures during the Federal fiscal year 1981 are estimated to have been \$275 billion, 14.9 percent higher than in the previous fiscal year, consistent with the trends shown through the twelve months ending in June 1981 (Table A-1). Given the sluggish behavior of the national economy, health expenditures as a percentage of the Gross National Product increased to 9.6 percent.

Increasing growth of personal health care expenditures was moderated by slowing growth of other components of national health expenditures. Growth of prepayment and administrative expenses slowed to 1.8 percent in the year ending September, principally because of an estimated decline in prepayment—the difference between premiums earned and claims incurred by private health insurers. Preliminary figures for research and for government public health activity show slower increases than did data for previous years, probably because of reductions in Federal spending. On the other hand, construction of medical facilities grew very rapidly, reaching a rate of 20 percent for the year ending September, a period when other nonresidential construction increased less than five percent.

An estimated \$243 billion was spent for the direct provision of care in the year ending September, an increase of 15.7 percent from the previous year (Table A-1). Points of interest concerning that figure include the following:

- The major source of increase was spending for institutional care. Expenditures for hospital care rose 17.0 percent in the year ending September, to a level of \$112 billion. Spending for nursing home care rose 16.5 percent, to a level of \$23 billion.
- Expenditures for professional services increased 15.5 percent. Growth of spending for physicians' services increased, compared to calendar year 1980, while the rate of growth of spending on dental care slowed.
- All other personal health care spending increased 11.7 percent from the previous year's levels.

¹These estimates of health care spending have been compiled by staff members of the Bureau of Data Management and Strategy and are comparable to estimates of calendar-year spending published in the *Health Care Financing Review* (Gibson and Waldo, 1981). Although the estimates are based on the latest data available, they should be regarded as preliminary. National health expenditures for 1981 are not yet available, but will be published later this year in the *Review*.

Of the \$243 billion spent for personal health care in the year ending September, \$97 billion came from public funds (Table A-2). The Federal government, mostly through Medicare and its share of Medicaid, paid a total of \$71 billion, while State and local governments paid \$26 billion, principally in the States' share of Medicaid. Sixty percent of total spending for personal health care—\$147 billion—was paid by private health insurers, philanthropy and industry, and consumers.

The data imply an expenditure of \$1,043 per person (including \$414 of public money) for personal health care in the year ending September (Table A-3). About \$481 was spent per capita for hospital care and \$224 for physicians' services, the largest two spending categories.

Compared to calendar year 1980, there was little change in the composition of funds used to finance personal health care spending. The Federal government paid for 29.1 percent of such spending in the year ending September, and State and local governments paid another 10.6 percent (Table A-4). The public share of spending for goods and services other than hospital care remained roughly unchanged at a little more than one quarter of the total, and the public share of spending for hospital care remained at just over one-half in the 1981 Federal fiscal year.

About three quarters of the increase in personal health expenditures during the September 1981 fiscal year was due to price inflation (Table A-5), while total population growth accounted for some 7 percent. The remainder, a fifth of the total, was due to changes in the types of care consumed and in the mix of goods and services used to provide that care.

Health care prices, as measured in the personal health care fixed-weight price index, were 11.2 percent higher in the year ending September than in the previous year, a rate of inflation 1.8 percentage points higher than economy-wide inflation and 0.1 percentage point higher than growth in the average Consumer Price Index for all items (cf. Sections C and E).

Exclusive of the effects of price inflation, personal health care expenditures rose 4.1 percent in the September fiscal year. Spending for hospital care increased 4½ percent after adjustment for inflation, reflecting high (although slowing) rates of growth in hospital use (cf. Section B). Price-adjusted nursing home expenditures continued to grow at high but declining rates as well.

For further details on national health expenditures through calendar year 1980, see Gibson and Waldo.

Table A-1
National Health Expenditures, by Type of Expenditure

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
	Amount (Billions)							
Total	\$174.0	\$195.1	\$222.6	\$256.5	\$265.2	\$274.8	n.a.	n.a.
Health Services and Supplies	164.7	185.3	212.1	244.5	252.8	262.1		
Personal Health Care	152.8	172.0	196.0	226.6	234.6	243.4		
Hospital Care	69.5	78.0	89.0	103.7	107.7	112.2		
Professional Services	47.4	53.4	61.0	70.6	72.9	75.6		
Physicians' Services	32.8	36.9	42.1	48.7	50.3	52.2		
Dentists' Services	10.9	12.2	14.1	16.3	16.8	17.4		
Other Professional Services	3.7	4.3	4.8	5.7	5.8	6.0		
Drugs and Drug Sundries	14.4	15.8	17.7	19.8	20.3	20.8		
Eyeglasses and Appliances	3.7	4.3	4.7	5.4	5.6	5.7		
Nursing Home Care	13.7	15.8	18.5	21.6	22.4	23.2		
Other Personal Health Care	4.1	4.7	5.1	5.5	5.6	5.8		
Prepayment and/or Administration	7.4	7.7	9.4	10.4	10.5	10.7		
Government Public Health Activity	4.5	5.6	6.6	7.5	7.8	8.0		
Research and Construction	9.3	9.8	10.6	12.0	12.4	12.7		
Research	4.1	4.5	5.0	5.5	5.6	5.6		
Construction of Medical Facilities	5.2	5.3	5.6	6.4	6.8	7.1		
Addenda:								
Gross National Product (GNP)	\$1,966.3	\$2,233.1	\$2,471.7	\$2,696.4	\$2,776.7	\$2,858.6	\$2,925.5	\$2,961.1
National Health Expenditures as a Share of the GNP%	8.9%	8.7%	9.0%	9.5%	9.6%	9.6%	n.a.	n.a.
	Annual Percentage Change							
Total	13.0	12.1	14.1	15.2	15.0	14.9	n.a.	n.a.
Health Services and Supplies	13.6	12.5	14.4	15.3	15.0	15.0		
Personal Health Care	12.8	12.6	14.0	15.6	15.6	15.7		
Hospital Care	12.8	12.2	14.1	16.4	16.8	17.0		
Professional Services	14.5	12.6	14.4	15.7	15.4	15.5		
Physicians' Services	15.7	12.5	14.0	15.6	15.5	15.8		
Dentists' Services	11.7	12.1	15.5	15.8	14.6	14.2		
Other Professional Services	11.8	14.8	13.8	16.8	16.4	16.1		
Drugs and Drug Sundries	8.1	10.2	12.0	11.8	11.6	11.8		
Eyeglasses and Appliances	5.3	16.0	10.5	15.0	16.3	15.9		
Nursing Home Care	16.1	15.6	16.7	16.7	16.4	16.5		
Other Personal Health Care	7.1	13.2	8.7	8.5	8.6	8.3		
Prepayment and/or Administration	33.8	4.4	21.7	10.4	3.5	1.8		
Government Public Health Activity	14.7	23.0	18.6	13.8	13.2	13.1		
Research and Construction	2.3	5.8	7.5	13.1	13.8	13.0		
Research	9.5	10.7	11.1	10.0	7.3	4.9		
Construction of Medical Facilities	- 2.8	2.0	4.4	15.9	19.8	20.4		
Addendum: Gross National Product	11.7	13.6	10.7	9.1	10.2	11.3	11.4	9.8

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Table A-2
Personal Health Care Expenditures, By Type of Expenditure and Source of Funds
(Billions)

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
Personal Health Care								
Total	\$152.8	\$172.0	\$196.0	\$226.6	\$234.6	\$243.4	n.a.	n.a.
Private Funds	93.3	104.3	118.7	137.1	141.8	146.7		
Public Funds	59.5	67.7	77.3	89.5	92.8	96.7		
Federal Government	42.1	48.3	55.3	65.1	67.6	70.8		
State and Local Government	17.3	19.4	22.1	24.4	25.1	25.9		
Hospital Care								
Total	\$69.5	\$78.0	\$89.0	\$103.7	\$107.7	\$112.2	n.a.	n.a.
Private Funds	31.8	35.5	40.6	47.5	49.7	51.9		
Public Funds	37.8	42.5	48.4	56.2	58.0	60.3		
Federal Government	28.0	31.8	36.4	43.0	44.5	46.5		
State and Local Government	9.8	10.7	12.0	13.2	13.5	13.8		
Physicians' Services								
Total	\$32.8	\$36.9	\$42.1	\$48.7	\$50.3	\$52.2	n.a.	n.a.
Private Funds	24.5	27.3	31.1	35.9	37.0	38.3		
Public Funds	8.3	9.6	11.0	12.8	13.3	13.8		
Federal Government	6.1	7.2	8.3	9.8	10.3	10.8		
State and Local Government	2.2	2.4	2.7	2.9	3.0	3.1		
Other Personal Health Care								
Total	\$50.5	\$57.1	\$64.9	\$74.3	\$76.5	\$79.0	n.a.	n.a.
Private Funds	37.0	41.5	47.0	53.7	55.1	56.5		
Public Funds	13.5	15.6	17.9	20.6	21.5	22.6		
Federal Government	8.1	9.3	10.6	12.3	12.9	13.6		
State and Local Government	5.4	6.3	7.3	8.3	8.6	9.0		

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Table A-3
Personal Health Care Expenditures Per Capita, By Type of Expenditure and Source of Funds

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
Personal Health Care								
Total	\$679	\$757	\$853	\$975	\$1,007	\$1,043	n.a.	n.a.
Private Funds	415	459	517	590	609	629		
Public Funds	265	298	337	385	398	414		
Federal Government	187	212	241	280	290	303		
State and Local Government	77	85	96	105	108	111		
Hospital Care								
Total	\$309	\$343	\$387	\$446	\$463	\$481	n.a.	n.a.
Private Funds	141	156	177	204	213	223		
Public Funds	168	187	211	242	249	258		
Federal Government	124	140	158	185	191	199		
State and Local Government	44	47	52	57	58	59		
Physicians' Services								
Total	\$146	\$162	\$183	\$209	\$216	\$224	n.a.	n.a.
Private Funds	109	120	135	155	159	164		
Public Funds	37	42	48	55	57	59		
Federal Government	27	31	36	42	44	46		
State and Local Government	10	11	12	13	13	13		
Other Personal Health Care								
Total	\$224	\$251	\$283	\$320	\$329	\$339	n.a.	n.a.
Private Funds	165	183	205	231	236	242		
Public Funds	60	68	78	89	92	97		
Federal Government	36	41	46	53	55	58		
State and Local Government	24	28	32	36	37	39		
Addendum: Population (Thousands)	224,893	227,271	229,789	232,333	232,867	233,340		

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Table A-4
Percentage Distribution By Source of Funds, For Selected Types of Personal Health Care Expenditures

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
Personal Health Care								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	n.a.	n.a.
Private Funds	61.1	60.7	60.5	60.5	60.5	60.3		
Public Funds	38.9	39.3	39.5	39.5	39.5	39.7		
Federal Government	27.6	28.1	28.2	28.7	28.8	29.1		
State and Local Government	11.4	11.3	11.2	10.8	10.7	10.6		
Hospital Care								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	n.a.	n.a.
Private Funds	45.7	45.5	45.6	45.8	46.1	46.3		
Public Funds	54.3	54.5	54.4	54.2	53.9	53.7		
Federal Government	40.2	40.8	40.9	41.5	41.3	41.4		
State and Local Government	14.1	13.7	13.5	12.7	12.6	12.3		
Physicians' Services								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	n.a.	n.a.
Private Funds	74.8	74.1	73.8	73.8	73.6	73.5		
Public Funds	25.2	25.9	26.2	26.2	26.4	26.5		
Federal Government	18.6	19.4	19.8	20.2	20.5	20.6		
State and Local Government	6.6	6.5	6.4	6.0	5.9	5.9		
Other Personal Health Care								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	n.a.	n.a.
Private Funds	73.3	72.7	72.5	72.3	72.0	71.4		
Public Funds	26.7	27.3	27.5	27.7	28.0	28.6		
Federal Government	16.0	16.3	16.3	16.5	16.8	17.2		
State and Local Government	10.6	11.0	11.3	11.2	11.2	11.4		

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Table A-5
Percentage Change in Constant-Dollar Personal Health Care Expenditures and Related Price Indexes,
and Factors Affecting Growth of Personal Health Care Expenditures

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
Growth in Constant-Dollar Personal Health Care Expenditures	4.5	7.5	3.0	4.0	4.1	4.1	n.a.	n.a.
Hospital Care	4.3	3.4	2.9	4.3	4.4	4.4		
Physicians' Services	6.0	4.0	4.2	4.4	4.4	4.6		
Nursing Home Care	8.2	6.0	7.0	6.0	5.8	5.7		
Other Personal Health Care	1.9	20.1	.7	2.5	2.4	2.5		
Growth in Personal Health Care Price Indexes								
Implicit Price Deflator	8.0	4.8	10.7	11.1	11.2	11.2		
Fixed-Weight Price Index	8.2	10.3	10.5	11.1	11.2	11.2		
Growth of Personal Health Care Expenditures	12.8	12.6	14.0	15.6	15.6	15.7		
Allocation Among Factors Affecting Growth	100	100	100	100	100	100		
Prices	66	83	77	74	74	73		
Population	8	9	8	7	7	7		
Intensity (Residual)	26	8	15	19	19	20		
Addenda:								
Personal Health Care Expenditures (Billions of Dollars)	152.8	172.0	196.0	226.6	234.6	243.4		
Constant-Dollar Personal Health Care Expenditures (Billions of 1977 Dollars)	146.2	157.1	161.8	168.3	169.6	171.3		
Personal Health Care Price Indexes (1977 = 100.0)								
Implicit Price Deflator	104.5	109.5	121.2	134.7	138.3	142.1		
Fixed-Weight Price Index	99.5	109.7	121.2	134.7	138.3	142.1		

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Section B. Community Hospital Statistics²

Despite slower growth of utilization measures, community hospital expenses grew more rapidly in calendar year 1981 than they did in calendar year 1980.

Community hospitals incurred costs of \$94 billion in the provision of care during 1981, 18.7 percent more than in 1980 (Tables B-1 and B-2). Of that amount, \$54 billion was paid for labor, and \$40 billion was spent on supplies, utilities, interest, and other nonlabor items. Expenses associated only with inpatient care rose 18.4 percent, to \$82 billion; the implied average cost per patient day of care rose 16.9 percent, to \$299, while expenses per admission rose 17.4 percent³, to \$2,155.

Part of the increase in community hospital expenses was due to increased use of hospital services, although the growth of utilization was lower than in calendar year 1980. There were 38 million admissions in 1981, 0.9 percent higher than in 1980; admissions grew at approximately the same rate as did population. The number of inpatient days increased 1.2 percent from 1980, to 273 million, and the average length of stay increased 0.4 percent. About 20 million surgical operations were performed, an increase of 1.7 percent.

²Community hospitals comprise "all nonfederal short-term general and other specific hospitals, excluding hospital units of institutions [after 1971], whose facilities and services are available to the public" (AHA, 1980). Data on the operation of community hospitals are collected monthly by the American Hospital Association (AHA) through its National Hospital Panel Survey of a sample of community hospitals (stratified by size and geographic location) drawn from the membership of the AHA.

For the most recent comparison of the panel survey data and statistics from the AHA Annual Survey of Hospitals, see Bisbee and Bachofer (1979).

³When the length of stay increases, high initial costs such as those of diagnostic tests are spread over more days of care, lowering the cost per day relative to the cost per admission.

Community hospital "capacity" increased faster in 1981 than in 1980. The number of available beds grew 1.7 percent; combined with slowing growth of use measures, the increase caused the occupancy rate to fall slightly, to 75.8 percent. Another measure of capacity, full-time equivalent (FTE) employment, increased 5.4 percent in 1981, raising the number of FTE employees per bed 3.7 percent. (Full-time equivalence is a statistical measure of hospital employment; used here, each full-time worker counts as one full-time equivalence and each part-time worker counts as one-half of a FTE.)

The rate of growth of FTE employment shown in Table B-2 is higher than that shown in Tables D-2 and D-3, for two possible reasons. First, the data in Section D refer to all hospitals, while those in this section refer only to community hospitals. The former definition includes long-term hospitals, which have experienced less growth than have community hospitals. Consequently, the growth rates shown in the two sections pertain to different groups of hospitals. Second, the data in each section are based on samples, and are subject to varying degrees of error for that reason.

The growth of hospital expenses reflects price inflation, changes in the use of hospital services (admissions or patient days), and changes in other factors, such as case mix. The last type of change is frequently termed change in "intensity," as it reflects the mix of goods and services used per admission or per patient day. Using growth of the National Hospital Input Price Index of Section C as an approximation of inflation, two thirds of the growth in expenses during 1981 was attributable to price change. With admissions as the measure of use, "intensity" grew about five percent and accounted for a quarter of the increase in expenses. Intensity growth was lower when inpatient days were a measure of use, since the high intensity of initial days of a hospital admission was spread over a longer stay.

For further information on community hospital statistics, see "Hospital Indicators," a regular feature of *Hospitals magazine*.

Table B-1
Selected Community Hospital Statistics

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
Operating Expenses:								
Total (Millions)	\$54,645	\$61,679	\$70,354	\$82,754	\$86,452	\$90,268	\$94,187	n.a.
Labor (Millions)	31,401	35,380	40,329	47,339	49,494	51,783	54,132	
Nonlabor (Millions)	23,244	26,299	30,025	35,415	36,958	38,485	40,055	
Inpatient Expense (Millions)	\$47,839	\$53,727	\$61,227	\$71,888	\$75,002	\$78,251	\$81,634	n.a.
Per Patient Day	186.77	208.74	232.29	265.74	275.53	286.73	299.07	
Per Admission	1,353.10	1,500.24	1,659.88	1,910.99	1,985.50	2,067.92	2,154.95	
Utilization:								
Admissions (Thousands)	35,355	35,812	36,887	37,618	37,775	37,840	37,882	n.a.
Inpatient Days (Thousands)	256,134	257,386	263,579	270,521	272,206	272,911	272,957	
Adult Length of Stay (Days)	7.2	7.2	7.1	7.2	7.2	7.2	7.2	
Surgical Operations (Thousands)	17,721	18,194	18,847	19,428	19,528	19,639	19,716	n.a.
Outpatient Visits (Thousands)	211,325	211,899	214,145	217,812	218,633	219,849	220,897	n.a.
Beds (Thousands)	947	957	960	975	980	984	987	n.a.
Adult Occupancy Rate	74.1%	73.7%	75.0%	76.0%	76.1%	76.0%	75.8%	
Full-Time Equivalent Personnel (FTE)								
Total (Thousands)	2,585	2,678	2,771	2,919	2,957	2,997	3,033	n.a.
Per Bed	2.7	2.8	2.9	3.0	3.0	3.0	3.1	
Adjusted Patient Days Per FTE	113	110	109	107	106	105	104	
Addendum:								
Adjusted Patient Days (Thousands)	292,572	295,479	302,869	311,413	313,762	314,822	314,932	n.a.

Source: American Hospital Association
Hospital Data Center

Table B-2
Annual Percentage Change In Selected Community Hospital Statistics

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
Operating Expenses:								
Total	14.9	12.9	14.1	17.6	18.5	18.7	18.7	n.a.
Labor	14.0	12.7	14.0	17.4	18.4	19.1	19.3	
Nonlabor	16.1	13.1	14.2	17.9	18.5	18.2	18.0	
Inpatient Expense	14.3	12.3	14.0	17.4	18.1	18.3	18.4	n.a.
Per Patient Day	13.3	11.8	11.3	14.4	15.0	15.9	16.9	
Per Admission	11.7	10.9	10.6	15.1	16.0	16.8	17.4	
Utilization:								
Admissions	2.3	1.3	3.0	2.0	1.8	1.3	.9	n.a.
Inpatient Days	.9	.5	2.4	2.6	2.7	2.1	1.2	
Adult Length of Stay	- 1.4	- .8	- .6	.6	.9	.8	.4	
Surgical Operations	2.7	2.7	3.6	3.1	2.7	2.2	1.7	n.a.
Outpatient Visits	5.2	.3	1.1	1.7	1.8	1.6	1.4	n.a.
Beds	1.2	1.0	.4	1.6	1.8	1.9	1.7	n.a.
Adult Occupancy Rate	- .2†	- .4†	1.3†	1.0†	.8†	.4†	- .1†	
Full-Time Equivalent Personnel (FTE)								
Total	4.8	3.6	3.5	5.4	5.6	5.6	5.4	n.a.
Per Bed	3.5	2.6	3.1	3.8	3.7	2.7	3.7	
Adjusted Patient Days Per FTE	- 3.3	- 2.5	- .9	- 2.4	- 2.4	- 3.0	- 3.7	
Addendum: Adjusted Patient Days	1.3	1.0	2.5	2.8	3.0	2.4	1.5	n.a.

† Absolute change, rather than percentage change
Based on data from the Hospital Data Center (American Hospital Association)

Section C. Health Care Prices

The National Hospital Input Price Index, a market-basket measure of prices paid by hospitals for supplies and services, was 12.1 percent higher in calendar year 1981, the latest data available, than it had been one year earlier (Table C-1). Economy-wide inflation for 1981 was 9.4 percent (cf. Section E). Neither rate of inflation had shown much variation since the June 1980 fiscal year. The average price of hospital labor increased 13.0 percent in calendar year 1981, with especially rapid increases in the growth of fringe benefits. On the other hand, the growth of non-labor prices slowed considerably, standing at 10.9 percent for the year. Price inflation of fuel and utilities was the dominant factor in movement of the non-labor component of the index.

The National Nursing Home Input Price Index, a measure similar to the hospital index but designed to cover supplies and services used by nursing homes, was 10.0 percent higher in calendar year 1981 than it had been one year earlier. The difference between the growth rates of the hospital and nursing home indexes was due to wage growth, which was 8.9 percent for nursing homes and 12.4 percent for hospitals. Wages paid by nursing homes are strongly correlated with the Federal minimum wage. Fuel and energy prices played a decisive role in determining the growth of the nonwage component of the nursing home price index.

The average medical care component of the Consumer Price Index for the year ending March 1982 was 11.4 percent higher than in the previous year, compared to a growth of 9.5 percent in the CPI for all items (Tables C-2 and C-3). A basket of medical care goods and services that would have cost consumers \$100 in 1967 would have cost \$303 in the year ending March. Physicians' fees averaged 11.0 percent higher, and hospital and nursing home prices were 14.3 percent higher. Inflation of medical commodity prices, propelled by drug prices, continued to increase, reaching a rate of 11.0 percent in the year ending March.

The high rate of growth of the medical care CPI added 0.1 percentage points to the aggregate rate of inflation. Especially rapid deceleration of energy prices, coupled with general abatement of inflation, resulted in a 9.5 percent increase in the CPI for all times, a figure that would have been 9.4 percent had medical care been excluded. Growth of the all-items CPI has steadily dropped from a peak of 13.7 percent in the September 1980 fiscal year.

In recent years, the historical difference between medical-care price inflation and other measures of price inflation has been narrowed or reversed. Prior to calendar year 1978, the medical-care CPI had, for the most part, exceeded the all-items CPI in growth; but the opposite was true between calendar years 1978 and 1981. Part of the reason that medical care prices grew more slowly during that period than did other consumer prices may have been the influence of voluntary and government-sponsored cost containment initiatives. Another factor may have been that fuel and housing prices have a smaller effect upon providers of medical care than they have upon the typical family for which the CPI is designed. Whatever the reason, the gap between growth of the medical-care CPI and the all-items CPI closed and reversed itself. In recent periods, growth of the all-items index began to fall back toward the rate shown by the medical-care CPI, with no corresponding decline in the latter rate, until the pre-1978 relation between the two was re-established. With few exceptions, medical-care price inflation has exceeded that of economy-wide inflation, as measured by the Gross National Product fixed-weight price index (cf. Section E). That relation remained unchanged during the twelve-month periods following calendar year 1980.

For more information on prices, see the reference section at the end of Trends, especially the article by Freeland et al. on the National Hospital Input Price Index and the Bureau of Labor Statistics Detailed CPI Report.

Table C-1
The National Hospital Input Price Index and The National Nursing Home Input Price Index:
Average Levels and Annual Percentage Change for Selected Components

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
Levels (1977 = 100)								
National Hospital Input Price Index	102.0	110.7	122.8	137.1	141.2	145.4	149.7	n.a.
Labor	102.2	111.1	122.4	136.3	140.7	145.2	150.0	
Wages and Salaries	102.1	110.6	121.7	135.4	139.6	143.9	148.3	
Fringe Benefits	102.8	114.8	127.2	143.0	148.8	154.8	161.8	
Nonlabor	101.7	110.2	123.3	138.3	141.8	145.6	149.3	
National Nursing Home Input								
Price Index	102.0	111.3	121.4	133.7	136.9	140.3	143.5	n.a.
Wages and Salaries	102.0	111.6	119.9	130.3	133.1	136.0	138.8	
Other	101.9	110.9	123.1	137.6	141.4	145.3	149.1	
Annual Percentage Change								
National Hospital Input Price Index	8.2	8.5	10.9	11.6	11.9	12.1	12.1	n.a.
Labor	8.8	8.7	10.2	11.4	12.1	12.6	13.0	
Wages and Salaries	8.3	8.3	10.0	11.3	11.9	12.3	12.4	
Fringe Benefits	12.6	11.7	10.8	12.4	14.0	15.4	17.0	
Nonlabor	7.2	8.4	11.9	12.2	11.4	11.1	10.9	
National Nursing Home Input								
Price Index	7.3	9.1	9.1	10.1	10.0	10.1	10.0	n.a.
Wages and Salaries	6.6	9.4	7.4	8.7	8.7	8.9	8.9	
Other	7.8	8.8	11.0	11.8	11.6	11.5	11.3	

Health Care Financing Administration
Bureau of Data Management and Strategy

Table C-2
Selected Average Consumer Price Indexes For All Urban Consumers
(Calendar Year 1967 = 100 Unless Noted)

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
All Items	184.4	200.1	224.8	253.4	259.4	266.2	272.4	277.4
All Items Less Medical Care	183.1	198.6	223.5	252.1	258.1	264.8	270.9	275.7
Apparel and Upkeep	155.4	161.2	169.3	180.8	183.0	185.2	186.9	188.4
Energy	210.2	226.1	302.6	374.8	386.9	398.4	410.0	413.6
Food	196.0	217.8	238.9	260.9	266.5	271.3	274.6	277.5
Housing: Shelter	195.2	216.5	250.2	290.0	296.8	306.5	314.7	321.6
Medical Care	206.6	224.2	245.9	272.1	278.6	286.2	294.5	303.0
Medical Care Services	221.4	240.9	265.3	294.0	300.8	309.1	318.2	327.6
Professional Services	197.8	213.1	232.3	258.2	264.1	271.0	277.9	284.6
Physicians' Services	210.5	227.9	249.4	276.3	283.2	290.8	299.0	306.7
Dental Services	188.4	202.1	220.3	245.7	250.6	257.1	263.3	269.3
Other Professional Services	n.a.	105.9	113.4	126.7	129.5	132.3	135.2	137.9
Other Medicare Care Services**	250.0	274.5	305.3	337.3	345.3	355.1	366.9	379.5
Hospital and Other								
Medical Services*	n.a.	109.0	121.0	138.1	142.6	147.4	152.5	157.8
Hospital Room	307.4	342.1	381.0	432.9	447.0	463.0	481.1	500.2
Other Hospital and Medical								
Care Services*	n.a.	108.5	120.1	137.6	142.1	146.6	151.2	155.8
Medical Care Commodities	136.5	146.0	156.8	172.3	176.8	181.6	186.5	191.3
Prescription Drugs	124.4	134.1	144.6	158.6	162.8	167.5	172.5	177.3
Nonprescription Drugs and								
Medical Supplies*	n.a.	105.2	112.7	124.0	127.2	130.5	133.6	136.8
Eyeglasses*	n.a.	103.3	109.7	120.1	122.3	123.9	125.6	127.1
Internal and Respiratory								
Over-the-Counter Drugs	151.1	161.8	174.4	193.5	199.2	205.5	211.4	217.2
Nonprescription Medical								
Equipment and Supplies*	n.a.	104.8	111.3	120.6	123.5	126.1	129.1	132.3

*December 1977 = 100.0

**Includes hospital and other medical services (nursing homes), and health insurance (not shown separately).
Based on data from the Bureau of Labor Statistics (U.S. Department of Labor)

Table C-3
Annual Percentage Change in Selected Average Consumer Price
Indexes for All Urban Consumers

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
All Items	6.7	8.5	12.3	12.7	11.5	11.1	10.4	9.5
All Items Less Medical Care	6.5	8.5	12.5	12.8	11.6	11.1	10.3	9.4
Apparel and Upkeep	4.1	3.7	5.0	6.8	6.3	5.6	4.8	4.2
Energy	8.6	7.6	33.8	23.9	18.0	15.0	13.5	10.4
Food	7.4	11.1	9.7	9.2	9.6	9.2	7.9	6.4
Housing: Shelter	7.7	10.9	15.6	15.9	13.3	12.7	11.7	10.9
Medical Care	9.3	8.5	9.7	10.7	10.2	10.3	10.8	11.4
Medical Care Services	9.7	8.8	10.1	10.8	10.2	10.3	10.7	11.4
Professional Services	8.1	7.7	9.0	11.1	10.6	10.5	10.3	10.2
Physicians' Services	9.2	8.3	9.4	10.8	10.6	10.8	11.0	11.0
Dental Services	7.6	7.3	9.0	11.5	10.5	10.1	9.6	9.6
Other Professional Services	n.a.	n.a.	7.1	11.7	11.2	10.3	9.4	8.8
Other Medical Care Services*	11.2	9.8	11.2	10.5	9.9	10.1	11.1	12.5
Hospital and Other								
Medical Services	n.a.	n.a.	11.0	14.1	14.4	14.4	14.2	14.3
Hospital Room	11.3	11.3	11.4	13.6	13.9	14.3	14.8	15.5
Other Hospital and Medical								
Care Services	n.a.	n.a.	10.7	14.6	14.7	14.4	13.9	13.2
Medical Care Commodities	6.8	7.0	7.4	9.9	10.3	10.7	10.9	11.0
Prescription Drugs	6.5	7.8	7.8	9.7	10.1	10.7	11.4	11.8
Nonprescription Drugs and								
Medical Supplies	n.a.	n.a.	7.1	10.0	10.4	10.6	10.5	10.3
Eyeglasses	n.a.	n.a.	6.2	9.5	9.0	7.8	6.9	5.8
Internal and Respiratory								
Over-The-Counter Drugs	7.1	7.1	7.8	11.0	11.5	12.2	12.4	12.2
Nonprescription Medical								
Equipment and Supplies	n.a.	n.a.	6.2	8.4	9.0	9.0	9.2	9.7

*Includes hospital and other medical services (nursing homes), and health insurance (not shown separately).
Based on data from the Bureau of Labor Statistics (U.S. Department of Labor)

Section D. Employment, Hours, and Earnings in the Private Health Sector

Growth of employment, hours and earnings in private health establishments⁴ remained relatively insulated from the recession faced by the U.S. economy through the year ending March 1982:

- Total employment increased 4.8 percent in the year ending March (Tables D-1 and D-2). Although the rate of growth was slower than in calendar year 1981, it still exceeded the 1.5 percent growth rate for employment in all industries⁵ by a considerable amount.
- The average work week in the private health industry, 32.8 hours, declined less than did that in all industries.
- Average hourly earnings, \$6.49, increased one-third faster for the 5 million nonsupervisory health employees than for their counterparts in other industries.
- Non-supervisory work hours increased 4.9 percent, compared to an increase of 0.6 percent in all industries (Table D-3).
- Non-supervisory payrolls increased almost twice as fast in private health establishments—16.8 percent, compared to 8.8 percent in all industries.

Within the private health grouping, employment growth was highest in offices of dentists and lowest in nursing homes. Growth of average hourly earnings was highest in private hospitals and lowest in nursing homes. A small increase in the work week in nursing homes was offset by pronounced declines in the work weeks in professional offices. Combining the growths of employment and work week, work hours grew at rates close to five percent for all health establishments except offices of physicians. Growth of

payrolls (the combination of work hours and average hourly earnings) ranged from a high of 17.9 percent in private hospitals to a low of 12.7 percent in physicians' offices.

Combined employment in private and public hospitals grew at a rate of 3.7 percent in the March fiscal year. Federal hospitals, which are facing budget reductions, registered a loss in employment of 1.2 percent, while local government hospitals and, even more so, private hospitals posted significant gains in employment. As mentioned earlier, the combined growth rate of 3.9 percent in employment for calendar year 1981 differs from the 5.4 percent rate of growth shown in Section B because of differences in the types of hospitals covered and in sampling.

An average 5.4 million persons were employed in health-related jobs in the year ending March 1982, continuing an upward trend in their fraction of the employed labor force (Table D-4). Of the average 100 million employed people, 5.4 percent held positions in the health care field⁶. Unlike the data in Table D-1, these figures include employees of government facilities and of non-health establishments and exclude non-health personnel in health facilities. Unfortunately, the data are subject to enough sample and non-sample error that one cannot estimate percent change reliably. Nor can one estimate unemployment rates reliably, although it is probable that the rate of unemployment for health occupations was considerably less than the 8.0 percent rate for the entire civilian labor force.

For further information on employment, hours, and earnings, see the Monthly Labor Review and Employment and Earnings. Special attention is devoted to the health sector in the article by Sekscenski and in the U.S. Census and Bureau of Health Manpower reports listed among the references.

⁴"Private health establishments" are defined by the 1972 Standard Industrial Classification (SIC) 80, and exclude establishments controlled by Federal, State, or local government. Employment, hours, and earnings reported here are measured by the Bureau of Labor Statistics "establishment survey" of the private nonfarm sector of the economy.

⁵"All industries" is defined as the total private nonfarm economy.

⁶Historical figures have been revised upward to reflect the 1980 Census of Population, with no significant effect upon the share of jobs held by health workers and professionals. Data reported are drawn from the Current Population Survey.

Table D-1
Employment, Hours and Earnings in Private Health Service Establishments, for Selected Types of Establishments
(Employment in Thousands)

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
Health Services (SIC *80)								
Total Employment	4,639.8	4,835.8	5,060.9	5,337.9	5,404.3	5,470.6	5,534.5	5,594.6
Non-Supervisory Workers								
Employment	4,148.2	4,308.3	4,504.9	4,767.5	4,829.4	4,890.6	4,949.9	5,007.2
Average Weekly Hours	32.9	33.1	32.9	32.9	32.9	32.9	32.8	32.8
Average Hourly Earnings	\$4.48	\$4.87	\$5.28	\$5.84	\$5.99	\$6.16	\$6.33	\$6.49
Offices of Physicians and Surgeons (SIC 801)								
Total Employment	653.9	689.7	725.6	756.7	765.3	774.1	782.5	790.4
Non-Supervisory Workers								
Employment	544.1	567.4	593.1	620.3	627.8	635.8	642.8	649.7
Average Weekly Hours	33.3	33.1	32.5	32.5	32.5	32.4	32.3	32.1
Average Hourly Earnings	\$4.69	\$5.08	\$5.50	\$6.06	\$6.23	\$6.38	\$6.52	\$6.60
Office of Dentists (SIC 802)								
Total Employment	291.1	306.9	327.4	343.2	347.2	351.4	356.0	361.9
Non-Supervisory Workers								
Employment	258.3	266.9	284.3	299.6	304.0	308.6	313.8	319.9
Average Weekly Hours	28.6	29.1	29.0	28.8	28.6	28.5	28.5	28.3
Average Hourly Earnings	\$4.56	\$4.79	\$5.22	\$5.81	\$5.98	\$6.14	\$6.29	\$6.41
Nursing and Personal Care Facilities (SIC 805)								
Total Employment	872.6	921.3	962.9	1,015.4	1,027.3	1,038.7	1,049.1	1,058.8
Non-Supervisory Workers								
Employment	791.0	831.0	865.9	915.5	927.4	938.5	948.6	957.9
Average Weekly Hours	31.1	31.1	30.9	31.0	31.0	31.0	31.1	31.1
Average Hourly Earnings	\$3.33	\$3.65	\$3.92	\$4.26	\$4.35	\$4.45	\$4.54	\$4.61
Hospitals (SIC 806)								
Total Employment	2,486.9	2,550.6	2,639.0	2,780.3	2,815.3	2,850.0	2,884.3	2,916.0
Non-Supervisory Workers								
Employment	2,259.9	2,328.2	2,411.9	2,549.5	2,581.1	2,612.2	2,643.7	2,674.0
Average Weekly Hours	34.0	34.1	34.2	34.1	34.1	34.0	34.0	34.0
Average Hourly Earnings	\$4.75	\$5.16	\$5.60	\$6.23	\$6.41	\$6.61	\$6.81	\$7.01
Addenda: All Private Non-Agricultural Establishments								
Total Employment	68,192	71,993	74,248	74,415	74,755	75,241	75,490	75,496
Non-Supervisory Workers								
Employment	55,873	58,930	60,625	60,467	60,700	61,061	61,209	61,138
Average Weekly Hours	35.9	35.9	35.6	35.3	35.3	35.3	35.2	35.1
Average Hourly Earnings	\$5.35	\$5.81	\$6.27	\$6.81	\$6.96	\$7.11	\$7.25	\$7.37
Employment, All Hospitals	3,756.3	3,864.6	3,980.3	4,160.4	4,200.2	4,239.1	4,277.9	4,313.7
Private (SIC 806)	2,486.9	2,550.6	2,639.0	2,780.3	2,815.3	2,850.0	2,884.3	2,916.0
Federal	225.5	228.2	227.1	234.4	232.7	232.3	232.1	231.5
State Government	540.3	541.2	534.8	534.2	534.5	534.0	533.2	532.6
Local Government	503.7	544.6	579.3	611.5	617.6	622.8	628.4	633.6

* 1972 Standard Industrial Classification (SIC)
 Based on data from the Bureau of Labor Statistics (U.S. Department of Labor)

Table D-2
Annual Percentage Change in Employment, Hours and Earnings in Private Health Service Establishments,
For Selected Types of Establishments

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
Health Services (SIC * 80)								
Total Employment	5.2	4.2	4.7	5.5	5.4	5.2	5.0	4.8
Non-Supervisory Workers								
Employment	4.9	3.9	4.6	5.8	5.7	5.5	5.2	5.0
Average Weekly Hours	-.6	.6	-.6	.0	.0	.0	.0	-.3
Average Hourly Earnings	7.2	8.7	8.4	10.6	10.9	11.2	11.4	11.1
Offices of Physicians and Surgeons (SIC 801)								
Total Employment	5.1	5.5	5.2	4.3	4.4	4.5	4.5	4.5
Non-Supervisory Workers								
Employment	3.9	4.3	4.5	4.6	4.8	4.9	4.8	4.7
Average Weekly Hours	.0	-.6	-1.8	.0	.6	.3	-.3	-1.2
Average Hourly Earnings	8.6	8.3	8.3	10.2	11.1	11.1	10.5	8.9
Offices of Dentists (SIC 802)								
Total Employment	7.5	5.4	6.7	4.8	4.8	4.6	4.6	5.4
Non-Supervisory Workers								
Employment	5.9	3.3	6.5	5.4	5.8	5.8	5.9	6.8
Average Weekly Hours	-.3	1.7	-.3	-.7	-1.4	-1.4	-1.0	-1.7
Average Hourly Earnings	6.8	5.0	9.0	11.3	12.4	12.7	11.7	10.3
Nursing and Personal Care Facilities (SIC 805)								
Total Employment	6.2	5.6	4.5	5.5	5.3	5.1	4.6	4.3
Non-Supervisory Workers								
Employment	5.8	5.1	4.2	5.7	5.7	5.5	5.0	4.6
Average Weekly Hours	.0	.0	-.6	.3	.3	.3	.6	.3
Average Hourly Earnings	6.4	9.6	7.4	8.7	8.7	9.1	8.9	8.2
Hospitals (SIC 806)								
Total Employment	4.0	2.6	3.5	5.4	5.3	5.2	5.1	4.9
Non-Supervisory Workers								
Employment	4.3	3.0	3.6	5.7	5.5	5.2	5.0	4.9
Average Weekly Hours	-.9	.3	.3	-.3	-.3	-.3	-.3	-.3
Average Hourly Earnings	7.5	8.6	8.5	11.2	11.7	12.0	12.4	12.5
Addenda: All Private Non-Agricultural Establishments								
Total Employment	4.8	5.6	3.1	.2	.6	1.3	1.6	1.5
Non-Supervisory Workers								
Employment	4.8	5.5	2.9	-.3	.1	.9	1.2	1.1
Average Weekly Hours	-.3	.0	-.8	-.8	-.6	.0	-.3	-.6
Average Hourly Earnings	8.1	8.6	7.9	8.6	8.9	9.0	8.9	8.2
Employment, All Hospitals	3.8	2.9	3.0	4.5	4.4	4.1	3.9	3.7
Private (SIC 806)	4.0	2.6	3.5	5.4	5.3	5.2	5.1	4.9
Federal	5.8	1.2	-.5	3.2	1.0	.0	-.9	-1.2
State Government	3.3	.2	-1.2	-.1	.3	.3	-.1	-.3
Local Government	2.7	8.1	6.4	5.6	5.0	4.4	3.9	3.6

* 1972 Standard Industrial Classification (SIC)
 Based on data from the Bureau of Labor Statistics (U.S. Department of Labor)

Table D-3
Annual Percentage Change in Implied Non-Supervisory Payrolls and Workhours in Private Health Service Establishments for Selected Types of Establishments

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
Private Health Care Establishments (SIC*80)								
Payrolls	11.8	13.1	13.0	16.7	17.2	17.4	17.1	16.8
Workhours	4.3	4.2	4.2	5.5	5.6	5.4	5.1	4.9
Offices of Physicians and Surgeons (SIC 801)								
Payrolls	12.9	12.5	10.8	15.3	16.9	17.1	15.5	12.7
Workhours	3.8	3.9	2.4	4.6	5.4	5.3	4.4	3.5
Offices of Dentists (SIC 802)								
Payrolls	12.4	10.5	15.7	16.5	17.1	17.7	16.9	15.9
Workhours	5.3	5.3	6.1	4.6	4.2	4.4	4.6	5.2
Nursing and Personal Care Facilities (SIC 805)								
Payrolls	12.8	14.9	11.4	15.2	15.1	15.4	15.1	13.8
Workhours	5.8	5.1	3.6	5.9	5.8	6.0	5.7	5.2
Private Hospitals (SIC 806)								
Payrolls	10.8	12.3	12.7	17.1	17.5	17.6	17.7	17.9
Workhours	3.2	3.5	3.9	5.2	5.2	4.9	4.8	4.8
Addenda:								
All Private Non-Agricultural Establishments								
Payrolls	12.9	14.5	10.1	7.3	8.4	10.0	10.1	8.8
Workhours	4.6	5.2	2.1	- 1.2	- .4	.8	1.1	.6

* 1972 Standard Industrial Classification (SIC)
Based on data from the Bureau of Labor Statistics (U.S. Department of Labor)

Table D-4
Employment of Health Professionals and Workers, by Selected Occupation
(Thousands of Persons Employed)

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
All Health Occupations	4,529	4,781	4,964	5,160	5,207	5,285	5,340	5,371
Practitioners*	753	792	808	805	805	817	828	844
Medical & Osteopathic Physicians	422	446	448	441	439	450	454	468
Dentists	111	122	134	145	140	131	130	128
Pharmacists	140	140	132	129	136	143	152	156
Health Administrators	184	188	189	213	217	222	219	223
Nurses, Dieticians & Therapists	1,328	1,413	1,538	1,611	1,623	1,651	1,654	1,661
Registered Nurses	1,098	1,164	1,268	1,316	1,316	1,337	1,339	1,349
Therapists	184	198	209	234	243	251	251	245
Health Technologists & Technicians	483	514	557	602	610	623	643	650
Clinical Laboratory	206	211	227	254	259	269	276	276
Radiologic	89	102	104	101	97	98	104	106
Health Service Workers	1,782	1,874	1,872	1,931	1,954	1,973	1,995	1,994
Nursing Aides, Orderlies and Attendants	1,033	1,039	1,067	1,100	1,111	1,124	1,131	1,127
Practical Nurses	376	411	377	388	391	394	403	403
Health Aides, Excluding Nursing	247	285	294	302	310	315	317	317
Dental Assistants	127	141	133	141	141	140	143	146
Addenda:								
Total Civilian Employment	93,059	96,974	99,231	99,389	99,846	100,259	100,397	100,259
Health Occupations as a Percent of Total Employment	4.9	4.9	5.0	5.2	5.2	5.3	5.3	5.4

*Includes approximately 30,000 veterinarians

Based on Household (C.P.S.) data, Bureau of Labor Statistics (U.S. Department of Labor)

Section E. National Economic Indicators

To put health-related economic trends into perspective, this section shifts focus to discuss national indicators of output, employment, and inflation.

Output and Income

The Gross National Product (GNP), the most widely used measure of the nation's output, was \$3.0 trillion during the year ending March 1982, up 9.8 percent from the previous year (Tables E-1 and E-2). However, much of the growth was due to price change: after adjusting the GNP for inflation⁸, growth was reduced to 1.2 percent, compared to a decline of 0.3 percent in the previous year. In real terms, moderate growth in personal consumption expenditures and Federal purchases of goods and services, plus an increase in business' inventory holdings, offset declines in State and local government purchases and in net exports.

In the year ending March 1982, personal income and saving grew at rates consistent with recent trends: personal income increased 10.6 percent, disposable personal income⁹ rose 10.2 percent, and 5.5 percent of disposable personal income was saved rather than spent, a proportion unchanged from the previous year.

⁸The result of adjusting the GNP for price inflation is called "real GNP" or "constant-dollar GNP."

⁹Disposable personal income, a measure of purchasing power, is defined as income after tax and nontax payments to government.

Employment, Unemployment, and Earnings

Measures of total employment and unemployment reflected the very slow growth of the economy. The unemployment rate for all workers averaged 8.0 percent in the year ending March 1982, 0.6 percentage points higher than in the previous year. Total employment in the private nonfarm economy rose 1.5 percent and average hourly earnings increased 8.2 percent. The average workweek dropped to 35.1 hours (cf. Section D).

Prices

Most measures of price inflation showed moderating growth through 1981 and into 1982:

- The GNP fixed-weight price index, the most comprehensive measure, was 8.9 percent higher in the year ending March 1982 than in the previous year; the GNP implicit price deflator, which includes the effects of changes in the composition of output, rose 8.5 percent.
- The Consumer Price Index for all items and all urban consumers showed an increase of 9.5 percent, with high but declining growth in energy and shelter prices (cf. Section C).
- Growth of the Producer Price Index for finished consumer goods, considered to be causally related to the commodity part of consumer price inflation, slowed to a rate of 7.4 percent.

For a more detailed analysis of the business situation and for estimates of quarterly GNP, see the Survey of Current Business. Producer Price Indexes are discussed in Producer Prices and Price Indexes, and consumer prices are discussed in Section C of Trends.

Table E-1
Selected National Economic Indicators

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
Gross National Product (GNP)								
Billions of Dollars	\$1,966.3	\$2,233.1	\$2,471.7	\$2,696.4	\$2,776.7	\$2,858.6	\$2,925.5	\$2,961.1
Billions of 1972 Dollars	1,385.8	1,456.3	1,488.5	1,484.3	1,496.1	1,507.1	1,510.3	1,502.1
GNP Implicit Price Deflator (1972 = 100.0)	141.90	153.34	166.05	181.66	185.60	189.68	193.71	197.13
Employment, Hours and Earnings								
Unemployment Rate, All Workers	6.7%	5.9%	6.0%	7.4%	7.5%	7.4%	7.6%	8.0%
Private Nonagricultural Workers:								
Total Employment (Thousands)	68,192	71,993	74,248	74,415	74,755	75,241	75,490	75,496
Average Weekly Hours	35.9	35.9	35.6	35.3	35.3	35.3	35.2	35.1
Average Hourly Earnings	\$5.35	\$5.81	\$6.27	\$6.81	\$6.96	\$7.11	\$7.25	\$7.37
Health Services * Workers:								
Total Employment (Thousands)	4,639.8	4,835.8	5,060.9	5,337.9	5,404.3	5,470.6	5,534.5	5,594.6
Average Weekly Hours	32.9	33.1	32.9	32.9	32.9	32.9	32.8	32.8
Average Hourly Earnings	\$4.48	\$4.87	\$5.28	\$5.84	\$5.99	\$6.16	\$6.33	\$6.49
Personal Income and Saving								
Income (Billions of Dollars)	\$1,578.4	\$1,778.4	\$1,999.7	\$2,218.1	\$2,281.6	\$2,346.5	\$2,404.1	\$2,452.4
Disposable Income	1,347.2	1,508.5	1,688.0	1,867.4	1,917.7	1,968.1	2,016.0	2,057.8
Saving (Billions of Dollars)	79.9	76.2	86.8	102.0	101.1	100.0	107.6	113.4
Personal Saving Rate	5.9%	5.0%	5.1%	5.5%	5.3%	5.1%	5.3%	5.5%
Prices (1967 = 100.0 Unless Noted)								
GNP Fixed-Weight Price Index (1972 = 100.0)	144.4	156.5	171.1	187.6	191.8	196.2	200.5	204.3
Consumer Price Index, All Items	184.4	200.1	224.8	253.4	259.4	266.2	272.4	277.4
All Items Less Medical Care	183.1	198.6	223.5	252.1	258.1	264.8	270.9	275.7
Apparel and Upkeep	155.4	161.2	169.3	180.8	183.0	185.2	186.9	188.4
Energy	210.2	226.1	302.6	374.8	386.9	398.4	410.0	413.6
Food	196.0	217.8	238.9	260.9	266.5	271.3	274.6	277.5
Housing: Shelter	195.2	216.5	250.2	290.0	296.8	306.5	314.7	321.6
Medical Care	206.6	224.2	245.9	272.1	278.6	286.2	294.5	303.0
Producer Price Index **, Finished Consumer Goods	183.7	200.0	225.6	255.4	262.0	267.0	271.3	274.4

* 1972 Standard Industrial Classification 80

** formerly called the "Wholesale Price Index"

Based on data from the Bureau of Economic Analysis (U.S. Department of Commerce) and from the Bureau of Labor Statistics (U.S. Department of Labor)

Table E-2
Annual Percentage Change in Selected National Economic Indicators

	Twelve-month Period Ending							
	March				June	September	December	March
	1978	1979	1980	1981	1981	1981	1981	1982
Gross National Product (GNP)								
Current Dollars	11.7	13.6	10.7	9.1	10.2	11.3	11.4	9.8
Constant (1972) Dollars	5.4	5.1	2.2	-.3	.7	1.7	2.0	1.2
Implicit Price Deflator	6.0	8.1	8.3	9.4	9.5	9.5	9.2	8.5
Employment, Hours and Earnings								
Unemployment Rate, All Workers	-.9†	-.8†	.1†	1.4†	1.1†	.6†	.5†	.6†
Private Nonagricultural Workers:								
Total Number of Employees	4.8	5.6	3.1	.2	.6	1.3	1.6	1.5
Average Weekly Hours	-.3	.0	-.8	-.8	-.6	.0	-.3	-.6
Average Hourly Earnings	8.1	8.6	7.9	8.6	8.9	9.0	8.9	8.2
Health Services * Workers:								
Total Number of Employees	5.2	4.2	4.7	5.5	5.4	5.2	5.0	4.8
Average Weekly Hours	-.6	.6	-.6	.0	.0	.0	.0	-.3
Average Hourly Earnings	7.2	8.7	8.4	10.6	10.9	11.2	11.4	11.1
Personal Income and Saving								
Income	10.9	12.7	12.4	10.9	11.2	11.5	11.3	10.6
Disposable Income	10.7	12.0	11.9	10.6	10.8	10.9	10.7	10.2
Saving	6.0	-4.7	14.0	17.5	10.4	3.0	6.2	11.2
Personal Saving Rate	-.3†	-.9†	.1†	.4†	.0†	-.4†	-.3†	.0†
Prices								
GNP Fixed-Weight Price Index	6.6	8.4	9.3	9.6	9.5	9.5	9.4	8.9
Consumer Price Index, All Items	6.7	8.5	12.3	12.7	11.5	11.1	10.4	9.5
All Items Less Medical Care	6.5	8.5	12.5	12.8	11.6	11.1	10.3	9.4
Apparel and Upkeep	4.1	3.7	5.0	6.8	6.3	5.6	4.8	4.2
Energy	8.6	7.6	33.8	23.9	18.0	15.0	13.5	10.4
Food	7.4	11.1	9.7	9.2	9.6	9.2	7.9	6.4
Housing: Shelter	7.7	10.9	15.6	15.9	13.3	12.7	11.7	10.9
Medical Care	9.3	8.5	9.7	10.7	10.2	10.3	10.8	11.4
Producer Price Index **, Finished Consumer Goods	6.9	8.9	12.8	13.2	12.3	10.5	9.0	7.4

† absolute change, rather than percentage change

*1972 Standard Industrial Classification 80

** formerly called the "Wholesale Price Index"

Based on data from the Bureau of Economic Analysis (U.S. Department of Commerce) and from the Bureau of Labor Statistics (U.S. Department of Labor)

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Appendix Contacts for further information

Under the general supervision of Charles Fisher, Acting Director, the following members of the Division of National Cost Estimates (Bureau of Data Management and Strategy; Health Care Financing Administration) have contributed to the estimates shown in this publication. They are listed by the specific type of service or source of funds for which they provided information.

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	Carol Schendler	(202) 245-6594
National Nursing Home Input Price Index	Charles Fisher	(202) 245-6594
	Carol Schendler	(202) 245-6594

Other sections of <i>Trends</i> , general, or not listed	Daniel Waldo	(202) 245-7203
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For information outside the scope of *Trends*, see the following.

National Hospital Panel Survey

Monthly data are published with a three- to four-month lag in *Hospitals J.A.H.A.*

contact:	Peter Kralovec, AHA Hospital Data Center	(312) 280-6523
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Consumer Price Indexes

Monthly data are released around the 25th of the following month, and published in the *CPI Detailed Report*.

contact:	BLS Division of Consumer Prices and Price Indexes	(202) 272-5160
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Producer Price Indexes

Monthly data are released on the first Friday of the following month, and are revised four months later. They are published in *Producer Prices and Price Indexes*.

contact: BLS Division of Industrial Prices and Price Indexes (202) 523-1222

Employment and unemployment (CPS or Household data)

Monthly data are released on the first Friday of the following month, and published in *Employment and Earnings*. Occupation data are published in the January issue.

contact: BLS Office of Current Employment Analysis (202) 523-1944

Employment, hours and earnings (Establishment or 790 data)

Monthly data are released on the first Friday of the following month, and are revised in two subsequent months and early in the fall. They are published in *Employment and Earnings*.

contact: BLS Division of Industry Employment Statistics (202) 523-1146

Gross National Product

Quarterly data are released around the 20th of the month following the end of the quarter, and are revised in two subsequent months and in July. They are published in *The Survey of Current Business*.

contact: BEA National Income and Wealth Division (202) 523-0824

Medicare and Medicaid data

Availability of data varies with the type of data requested.

contact: BDMS Statistical Information Services Branch (301) 594-6702

Abbreviations:

- AHA—American Hospital Association
- BEA—Bureau of Economic Analysis, U.S. Department of Commerce
- BLS—Bureau of Labor Statistics, U.S. Department of Labor
- BDMS—Bureau of Data Management and Strategy; Health Care Financing Administration (U.S. Department of Health and Human Services)

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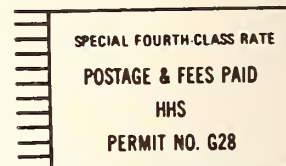
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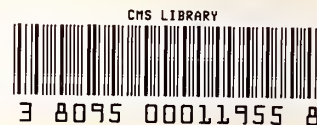
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